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June 30, 2008

U.S. Environmental Protection Agency
Region 10
Attn: Cara Steiner-Riley
Office of Regional Counsel
Mail Code ORC-158
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

FEDERAL EXPRESS

Re: "Second Requests for Information Re: Mining Activities Within the Coeur d'Alene Basin, Northern Idaho": Highland-Surprise Consolidated Mining Company

Dear Ms. Steiner-Riley:

This letter is written on behalf of Highland-Surprise Consolidated Mining Company (hereafter "the Company"). This letter is in response to the March 7, 2008 "Second Request for Information" from the EPA (pursuant to 42 USC §9604(e)(5)(B)).

I. PRELIMINARY INFORMATION.

As you are aware, on July 7, 1997, the Company responded to an initial Section 104(e) Information Request (dated June 5, 1997). All information set forth in the July 7, 1997 response is incorporated herein as though set forth in full. I trust that the Agency still has a copy. If you need additional copies of those prior submittals, please advise and I will promptly comply with any request that you might have.

I would also like to thank you in advance for the courtesies you have extended me with scheduling difficulties that have arisen at my office. The materials produced herewith, and in response to the companion requests to other entities, were promptly provided by my clients and I have simply been unable to get these responses done and to you until now. Should any future or subsequent request be necessary, all efforts will be made to timely comply with said requests and without the need for any additional extensions. Thank you for your professional courtesies.



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II. RESPONDENT INFORMATION.

The full legal name of the Respondent is as follows:

Highland-Surprise Consolidated Mining Company
c/o H. F. Magnuson & Company
Certified Public Accountants
P.O. Box 469
Wallace, ID 83873

The person answering these questions on behalf of the Company is Dennis O'Brien, Secretary. Mr. O'Brien may be reached at the address above. His telephone number is 208\752-1131. His fax number is 208\753-9361.

Individuals designated for future correspondence should include both Mr. O'Brien (at the address above) and myself. My address information is set forth separately on the letterhead above.

There have been no bankruptcy proceedings within the scope or ambit of Section 1(d)(I) through (v) of pages 4-5 of the Section 104(e) request.

III. FINANCIAL INFORMATION.

Pursuant to the request for financial information, enclosed are the following:

- (1) Financial statements (balance sheet, income statement, and statements of cash flows and accounts payable) for 2000.
- (2) Financial statements for 2001.
- (3) Financial statements for 2002.
- (4) Financial statements for 2003.
- (5) Financial statements for 2004.
- (6) Financial statements for 2005.
- (7) Financial statements for 2006.

Also enclosed are copies of state and federal tax returns for the years 2001 through 2006.

There is no litigation known or threatened of which the Company is aware.

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There are no financial settlements pending of which the Company is aware.

There is no responsive information regarding the Company having been a subsidiary of any prior corporation within the scope of Section 2(g) of the Section 104(e) request.

IV. INSURANCE COVERAGE.

No responsive information to Section 3(a) through (g), at pages 6-7 of the Section 104(e) request, could be located by the Company. There are no current insurance policies in place nor could evidence or indicia of any prior insurance policies be found. Discovery is ongoing and, if said information is located, this response will be seasonably supplemented.

V. REAL PROPERTY.

The Company, in its July 7, 1997 initial response, provided information regarding all claims and properties owned. The Company's claims are leased to U.S. Silver Corporation. Also enclosed are assessment notices from Kootenai County further identifying the Company's real property holdings. There have been some timber sales by the Company, from certain of its holdings, during the period questioned (2001 through 2006). Those proceeds are reflected on the financial statements and tax returns enclosed.

The properties identified in the initial July 7, 1997 response, as supplemented herewith, are not mortgaged.

As to the information requested in Section 4(e) of the Section 104(e) request, responsive information within the custody, control, and/or knowledge of the Company was produced with the July 7, 1997 response. The Company will, to the extent the EPA desires, make available for inspection such records of the Company as may be deemed necessary by the EPA at a mutually convenient time and place.

The Company owns no other assets or property interests that are held by any other or titled in any other name.

VI. COMPLIANCE WITH THE REQUEST.

The name and current job title of the individual consulted was Dennis O'Brien, Secretary to the Corporation (address above). The location where documents are kept is at the office of H. F. Magnuson & Company, Certified Public Accountants, 403 Cedar Street, Wallace, Idaho 83873.

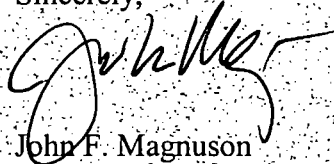
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VII. CONCLUSION.

If, after reviewing the enclosed, you believe there is any additional information that you desire or that would assist in your inquiry, please advise and we will promptly comply to the extent such documents or information exists. Thank you.

Sincerely,



John F. Magnuson

JFM/krm

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